MINUTES OF A REGULAR MEETING OF THE FORT PIERCE UTILITIES AUTHORITY, TUESDAY, OCTOBER 20, 2020, 4:00 P.M., CITY COMMISSION CHAMBERS.

Members Present: Vice Chairman Charlie Frank Matthews; Deputy Secretary Frank H. Fee, IV; Mayor Linda Hudson; Kristina Gibbons; and Nick Mimms, Ex-Officio Member/City Manager.

Excused: Chairman Glynda Cavalcanti

Others present: John K. Tompeck, Director of Utilities; Rupert N. Koblegard III, FPUA Attorney; Barbara A. Mika, Director of Financial Services; Paul A. Jakubczak, Director of Electric & Gas Systems; and Bo Hutchinson, Director of Water/Wastewater Systems; Javier Cisneros, Director of Utility Support Services; Joshua P. Gang, Director of Regulatory Affairs, and .

The meeting was called to order by Vice Chairman Matthews.

Opening Prayer was by Alice Ladomirak of the Treasure Coast Energy Center.

The Pledge of Allegiance was recited.

The roll was called and a quorum declared.

Mr. Matthews said at this time we are going to call Mrs. Linda Cox, our City Clerk, forward and she will be swearing in our new Board Member, Mrs. Kristina Gibbons.

Linda Cox, City Clerk, said she will stand across from Mrs. Gibbons and asked her to raise her right hand and repeat the following Oath of Office after her: "I, Kristina Gibbons, a citizen of the State of Florida and of the United States of America, and being employed by or an officer of the City of Fort Pierce, and a recipient of public funds as such employee or officer, do hereby solemnly swear or affirm that I will support the Constitution of the Unites States of the State of Florida." Mrs. Cox congratulated Mrs. Gibbons on her new appointment and had her sign the oath.

Mr. Matthews congratulated Mrs. Gibbons and asked her to turn and that the Board Members will come down there to give her an official welcome. He said we want to give a thumbs up or a wave because we do not want to violate any rules. He welcomed Mrs. Gibbons and asked her to give the Board about two minutes to know something about her and then we will call her our colleague.

Mrs. Gibbons said she is a born and raised resident of Fort Pierce and she went to school in West Virginia for four years at Shephard University. She came back and worked for Stan Crippen and worked her way up the ladder and decided she wanted to be part of Fort Pierce again. About seven years ago she became a business owner here and a mom as well. She is back invested in our community and is excited to be here. Mrs. Gibbons said she got to do the tour at FPUA on Friday and she still has a lot more to learn, but is thirsty for knowledge.

The roll was recalled once Mrs. Gibbons sat at the dais.

Mr. Tompeck said that Item G1, a presentation by Pete Tesch of the Economic Development Council, was going to be removed and scheduled for another meeting.

A motion was made by Mayor Hudson, seconded by Mrs. Gibbons, and unanimously carried to approve the set agenda with the change Mr. Tompeck made.

A motion was made by Mr. Fee, seconded by Mayor Hudson, and unanimously carried to approve the Minutes of the Regular Meeting of October 6, 2020.

Mr. Matthews said the next item is comments from the public and if any person of the public would like to speak at this time, there are two rules. He said they have to stay within the three minutes, give us your name and address, and address all your difference to the Board of Directors here.

Mr. Mario Wilcox said he is a City of Fort Pierce resident and community activist. He said he is Mario Victorez Wilcox and is a Fort Pierce city resident, a concerned citizen, and would like to stand before the Board today to address the following concern. He said we had a previous meeting about this COVID pandemic and how it affects a lot of the middle, low, or no income citizens within our City, now we are back at this point again. From his understanding there is money and funds available within the Utilities Authority and from having a fairly logistical background, his question is why are we giving money to Mustard Seed as well as ALPI, two entities that receive money, when each of you have a fiducial responsibility to FPUA that is his first question. Second he has a suggestion, with all the delinquent accounts, you have the funding, it is much easier to hire temps or change the hours of the employees so that some can assist customers during the day and a couple of others could work on delinquent accounts. Use that fund to purge the accounts. If you go to disconnect a citizens account, you don't know the harm you are really causing. You have babies with disabilities, you have elderly, you have other citizens with disabilities, some depend on CPAC machines. If you notice CPAC machines require electricity. You will be causing great harm to them and he sees that one of your Board Members is an elected official, too. If you are really truly concerned about the citizens as what your campaign sign says, you would do what is right. If you don't do what is right and vote for what's right, then November the third will reflect it. Thank you for having me up here.

George Collins of 7203 Pacific Avenue, Fort Pierce said he is the president of the NAACP for St. Lucie County. He said basically what he has been looking at is there will be hardships created within any disconnect. He does not take it for granted that you have not done something in the

way of trying to ease these problems, but the thing of it is, there is too much money left out there. We spoke previously about the two entities you have passing the money out and it was mentioned on other occasions there had to be something that was causing the surplus of funds you have left. He really thinks what needs to be addressed was those funds and a way to get them to those that need them. The problem he sees is there may be transportation problems, whatever the problem is, we had time to address it in their first allocation that was given, the first $100,000 that was given. One had done better than the other, but the other had not. We need to try to find a way to address it because it's going to be a bigger problem once you start the disconnects. If there is not a way at this time not to move further so we can work on how to get the funds out there, then Mr. Collins believes what we should do is look at a plan whereas once you start disconnecting, you're going to have the majority of the people coming in with a problem because of the disconnects you are going to be doing. We need to be looking at something, somehow if those funds are still available to utilize them for the purpose they were put there in the first place. He said he does not give suggestions, what he would say is, like he suggested to the Mustard Seed when he spoke with them was this, if you are having a problem getting the application out, then you need to look to the nonprofits and other organizations in the county and try to work with them to somehow get those applications more available and fill it out. We cannot assume that everybody knows how to fill them out, we cannot assume with all the posting we did that they know or even if they did know and they didn't have the wherewithal to do it, if there is any way possible we need to get the money out there and make it available to those people so we don't have children in the dark. We don't have older people with medical problems in the dark with no electrical power. We need to work on that and as he said before, the NAACP is willing to work with you as much as we can for the rights of these people so that they are more able to function. Because one thing about it, returning customers are much better than no customers if you are getting rid of those customers. If you do what you can for them, then you will have a repeat customer, that's just good business. Mr. Collins said he appreciates the Board listening to him, but if you need any help look to the community, you have an organization willing to help fill out the application in helping people finding out the right things they need.

A motion was made by Mayor Hudson, seconded by Mr. Fee, and unanimously carried to approve the Consent Agenda.

1. Excuse Glynda Cavalcanti from this meeting.

2. RFQu No. 20-10: Approve the contracts for Continuing Professional Engineering and Design-Build Services related to Electric and Gas Systems, effective July 1, 2020 through June 30, 2025, with unlimited five-year renewal options, contingent upon receipt of required Certificate(s) of Insurance, with the following firms: Quanta Technology, LLC of Raleigh, North Carolina; AESI-US, Inc. of Tucker, Georgia, and Engineered Design Services LLC of West Palm Beach, Florida.

3. Approve Budget Transfer Request totaling $100,000 for additional funding needed for Meter Backflow Preventers on the AMI project.

Mr. Tompeck said the first item is requesting Board approval of the 2021 Employee Benefit Plan. He said Lois Wolfe and Kathleen Meola of Relation Insurance will make the presentation and Kathleen will be doing it virtually.

Lois Wolfe, Human Resources Manager, said she is here to provide the Board our 2021 employee benefit plan overview as prepared by Relation Insurance Services. Kathleen Meola is our Executive Consultant and VP of Compliance for Relation Insurance. Generally, Kathleen would be here in person, but because of COVID protocols put in place by Relation Insurance, she could not be here in person, but is here online with us today. She is going to go over the benefit plan recommendations which consist of generally our approval of administrative fees, our stop loss insurance coverage, as well as funding for the program which will result in some small increases in premiums as well as approval of our Medicare insurance agreement for our retirees, renewal of our EAP, Employee Assistance Program, and change on our long-term disability coverage. Mrs. Wolfe said she is going to turn it over to Kathleen to go over the recommendations by Relation Insurance.

Kathleen Meola of Relation Insurance said she appreciates the Board allowing her to join by phone today. She said in the Board packets everyone should have their 2021 Employee Benefit Plan Overview and Recommendation. She would like to provide a summary of each section and at the very end go through the actual recommendations to the Board. So, starting with the first section which is the Medical Administration, 2021 will be the last year of our four-year fee arrangement with Florida Blue. The administrative fee will remain $65.05 per employee per month for medical administration and $2 per employee per month for Teledoc telemedicine which was added to the program effective January 1 of this year. A wellness contribution of $15,000 will be provided as part of the agreement for 2021. As it relates to stop loss insurance coverage, we solicited proposals from seven insurance carriers including your incumbent, which is HM and all things considered the most favorable offer is from HM Florida Blue, the renewal. The preliminary offer is subject to a review of September claims experience which is expected very soon. Currently, the overall increase in expected cost is 1.9% and that increase is inclusive of your stop loss premium, your expected claims for next year, as well as the administrative fees through Florida Blue. This is an excellent renewal given medical trend which right now in the Florida Blue book of business, medical trend is about 10% for next year and your renewal is at 1.9%.

Mrs. Meola said in the next section going through the medical cost and specifically the funding which is on page three, based on the current enrollment the annual funding of the plan is $5,000,793. She said that is about 5.3% below the expected costs for next year which is $6.1 million. Staff is recommending we continue the initiative that was started last year to move towards funding at the expected plan level. We had set over the next 1 - 3 years and so now 1 -

2 years the idea would be to fund at the expected fund costs. To do this, we are recommending an increase of the 1.9% plus an additional 2.1%, making the overall funding increase for the plan 4% for 2021. As always, because you are self-insured and your claims and expenses are going to fluctuate from month to month, we caution this still may not be sufficient funding based on the unpredictability of claims and costs in the future and staff in Relation will continue to monitor the claim's trends and consider additional changes if and when warranted throughout the year. For the contributions, as mentioned the overall increase if approved would be 4% to the funding rate and it is recommended the increase be shared between the employees and the Utility Authority at the same percentage split as is currently in place. The increase to the employees per pay is outlined in the far right column of the bottom of page three. If approved, the 4% in continuing the current contribution split for those employees enrolled, the employee only coverage, the increase will be $.67 per pay period, employee plus spouse an increase of $5.64 per pay, employee plus children $5.54, and employee plus family $9.44 per pay. As it relates to your other coverage starting with dental, Florida Combined Life continues to be our dental claims administrator for the self-insured dental plan. Their administrative fee is guaranteed through December 2021. We are not recommending a change to the dental funding rate or contributions this year. The rates that were established back on January 1, 2018 are anticipated to continue to cover the dental expenses and claims in the coming year. Displayed is the current costs towards dental coverage for employee only, employee plus one, and family with no changes recommended.

Mrs. Meola said next is the employee assistance program through Aetna Resources for Living. She said the three-year rate guarantee will expire at the end of this year. Due to our utilization rate which is fantastic at 15.6%, average visits per episode of 5.2 visits per case, Aetna will be increasing our rate this year. It is going to $2.25 per employee per month and it will be guaranteed for three years through December 2023. For the flexible spending accounts both health and dependent care FSA, there is no change to either program, services are administered through Medcom, and the administrative fees are guaranteed through December 2022. For the life insurance and long-term disability, last year all policies were transitioned from Florida Combined Life to their sister company USAble, that took effect on January 1st. Because of this change USAble agreed to extend the current premium rates for all of the coverages an additional year. We are under a rate guarantee for basic life, supplemental life, and long-term disability. The current long-term disability policy which is another way of thinking about paycheck protection for the employees, if they are disabled the benefit is 50% of salary to a maximum of $2,000 per month. That coverage is paid by FPUA. Under the current program employees are able to buy up to a 60% benefit with the monthly maximum of $3,500. We currently have 55 employees enrolled in the buy up which means most employees are limited to the core benefit of 50% to a maximum of $2,000. From a salary perspective that only provides a full benefit for the employees that earn up to $48,000 for the year. Anyone earning about $48,000 is still capped at that same $2,000 maximum per month. This benefit has been in place for many, many years and has not been changed. We worked with USAble to look at possibly increasing the benefit to provide more salary protection for employees and USAble has agreed to increase the long-term disability employer paid benefit to 60%, currently is 50% and increase the maximum to $4,500

per month. By doing that it would provide a full benefit for all employees earning up to $90,000. The premium per $100 a benefit by doing this will actually decrease to $.37 cents per $100 a benefit, currently it is $.39 cents. The overall estimated annual increase by making this change is $8,937 based on current payroll that is because the rate is going down but the amount of coverage is increasing. The premium has increased by $89.37. Relation and staff are recommending this benefit be updated to ensure all employees are receiving full paycheck protection up to $90,000 in annual earnings with a 60% benefit that is if they become disabled and are unable to work. Provision coverage, there are no changes to the existing EyeMed vision program. We are under a premium rate guarantee through December of 2023. Several voluntary worksite benefits are offered through Trustmark, Allstate, Cancer Guardian, and Life Lock. Changes to these coverages, both the benefits and the rates are very rare and only take place when the carrier actually changes their filing with the Florida Office of Insurance Commission so there are no changes anticipated to these benefits for 2021.

Mrs. Meola said the last item is BlueMedicare and is a Medicare Advantage Program available for your retirees that are 65 and older. She said it is also known as the Medicare Part C. It provides all three Part A, Part B, and Part D prescription drug benefits. Several changes will occur to these programs effective January 1, 2021 and the changes are all at the direction of CMS. Overall the good news is the plan changes are positive and in most cases the retiree will get a better benefit, but there are some benefits where the retiree will have some additional cost share. In addition to the plan changes, the plan names are also changing. But the good news here is the premiums are decreasing for all plans with the exception of the RX only plan. Just to go over what that looks like for the retirees, the Elite PPO which was the plan formally known as PPO1Rx1 current premium is $292.45 and it is decreasing to $283.25. The Advanced Platinum PPO is the former PPO2Rx2 and that premium is reducing to $220.19. Advance PPO which is the former PPO2Rx3 is reducing to $185.20 a month and the Rx only, this is if the retiree only wants the Part D coverage, the premium is increasing from $141.97 to $155.4. These premiums are 100% paid for by the retiree they are per person. So if the retiree is covering themselves and their spouse you would multiply those numbers by two individuals.

Mrs. Meola said the last thing she would like to do is the Summary of the Recommendations and apologized if they are not in the same order as the agenda but first, we would like to ask for approval to renew the stop loss coverage through HM with $125,000 specific deductible levels. That limits the liability for FPUA on an individual claimant, anything over $125,000 would be reimbursed by HM. Secondly, we are recommending an increase to the medical funding rates of 4% and keeping the current percentage split between what the employees pay and what FPUA contributes. We are asking for approval to maintain the current dental premiums and contributions with no changes for 2021, and modifying their current long-term disability benefit to provide a 60% benefit to the maximum of $4,500 per month and eliminate the buy up coverage. Lastly, is to except the three-year agreement to renew the EAP services through Resources for Living. She said she would be happy to answer any questions you have.

Mayor Hudson said she has some questions, the underfunding on page three, the funding employee only, is that a monthly amount?

Mrs. Meola said yes that is correct.

Mayor Hudson said below that you go per pay period is that per pay period?

Mrs. Meola said correct, the funding which is the overall cost of the plan is represented as a monthly number and the employee portion of the contribution is represented per pay so they see what is coming out of their check.

Mayor Hudson said on the disability, is there a time limit on the disability payments?

Mrs. Meola said yes, it is up to social security normal retirement age. If someone is close to social security normal retirement age, there is a reduce in benefit schedule so they get at least a little bit of time beyond social security to receive benefits.

Mayor Hudson said to refresh her memory, retirees in the program pay their own way, is that right, they pay for their own medical care?

Mrs. Meola said yes, if the retirees choose to stay on FPUA's active commercial plan or the Blue Medicare plan they are covering the full cost.

Mr. Mathews said he has several questions. He said first of all, what is the increase from the dollar amounts from last year?

Mrs. Meola said the increase in expected cost is shown on the bottom of page two. She said currently the expected costs are $5,987,206 and the 1.9% increase in dollars is $113,163 and that is an expected cost amount with claims that will vary throughout the year. That is expected costs based on enrollment at the renewal.

Mr. Matthews said when you talk about 4%, are we adding an increase of that too, or are we doing 1.9?

Mrs. Meola said 1.9% is the true increase in the renewal, but the recommendation is to increase to 4% because the current funding into the plan is not $5,987,206, it is $5,793,920. She said we are just adding a little bit to the actual increase to help get closer to funding at the expected plan cost level.

Mr. Matthews said when we talk about the retirees and he knows the mayor brought it up, how many in numbers do we have in that category that are paying insurance?

Mr. Meola said she can get that for him, she does not have that readily at her fingertips, but she can certainly have that as a take away to let him know how many retirees are participating in the self-insured plan and the Blue Medicare plan.

Mrs. Wolfe said she can add there are much fewer that are still enrolled in our self-insured plan, those that have not yet reached Medicare eligibility, but retire before that really have no other option other than getting insurance on their own. They have to stay on our plan, but they pay the full premium. The majority of the others that are Medicare eligible go on the Medicare Advantage Plan, which is paid directly also by them.

Mr. Matthews said his other concern, is are we penalized by age penalties like those you talk about like social security. He asked if we have any employees who are in the category of age but they are being penalized because they are in the age rather than they still have good abilities, to perform, but still they have an age time is that any different?

Mrs. Meola asked if he is referring to active employees.

Mr. Matthews said yes.

Mrs. Meola said no, active employees, the only coverage FPUA has where age is a factor is life insurance. She said when someone goes to get supplemental life insurance coverage, when they are brand-new hired for the first time they can have coverage on a guaranteed issue basis and each year at open enrollment they are allowed to apply for increases to that coverage. Every five years the rates are going to change based on the age. The same holds true with the voluntary coverage through Trustmark which is permanent universal life. It is based on the age at the time of enrollment.

Mr. Matthews said that brings him to the question of those that we sometimes don't protect, those employees that are on probation status, what is our probationary status?

Mrs. Wolfe said six months is the probationary period, but they are eligible for our benefits at the first of the month after 30 days.

Mr. Matthews said okay, we have the opportunity to approve the recommendation.

Mayor Hudson said she would just like to say this is a very generous medical care plan for our employees and she thinks it is a great benefit and we all know how valuable medical care is. She wanted to say as part of comparing us to other utilities or to other employers, this is a very adequate, more than adequate, extremely good plan and should be factored into one of the benefits of working for FPUA. She said she is sure that's why we get one of the best places to work.

Mrs. Wolfe said absolutely and our medical benefit particularly as well as the whole general benefit package is a tremendous recruitment tool for us.

Mayor Hudson asked if we are looking for a recommendation.

Mr. Mathews said a motion to approve and asked if we are approving the first three or all of them.

Mrs. Wolfe said we are seeking the approval of all of the recommendations, the overall benefit plan as well as for the Director of Utilities to sign the agreements, the obligated agreements to these programs.

A motion was made by Mayor Hudson, seconded by Mr. Fee, and unanimously carried to approve POA 18-17: The 2021 Employee Benefit Plan, as described in the 2021 Employee Benefit Plan Overview and Recommendations prepared by Relation Insurance Services of Florida, Inc., of Stuart, Florida, and authorize the Director of Utilities to sign the agreements necessary to fulfill FPUA's obligations under the Plan, including the following:

1) Payment of administrative fees to Blue Cross and Blue Shield of Florida, Inc., dba Florida Blue of Jacksonville, Florida, with a cost of $67.05 per employee per month (PEPM), for an estimated annual cost of $227,702, based upon current enrollment of 283 members subject to enrollment fluctuations, for the period of January 1, 2021 through December 31, 2021 (the Plan Year). The $67.05 includes $2.00 PEPM for Teledoc services.
2) Increase medical plan funding by 4% based on expected plan costs, with an associated increase to the employee contributions at the same employer/employee cost sharing levels under the current Plan. This approach will maintain FPUA's Grandfathered status. The projections for claims liability is expected to increase 1.9% for the 2021 Plan Year.
3) Accept the Stop Loss Proposal and Agreement with Florida Blue, administered by HM Life Insurance Company, of Pittsburgh, Pennsylvania, to maintain the stop loss coverage at the $125,000 specific deductible level, with an estimated cost of $956,313 for the Plan Year. The cost is based on claims experience through Aug. 31, 2020. A firm commitment from Florida Blue and HM will not be available until September claims are reported.
4) Renew the BlueMedicare Group Master Agreement with Florida Blue, for FPUA retiree Medicare supplemental insurance plans, the cost of which are fully funded by participant premiums, for a period of one year with unlimited one-year renewal options.
5) Renew the Employee Assistance Program (EAP) Agreement with Aetna Behavioral Health, LLC (Aetna), of Hartford, Connecticut, at the cost of $2.25 PEPM under a three-year rate guarantee through December 31, 2023.
6) Modify the Life, AD&D & Long Term Disability coverage through USAble, to increase the Long Term Disability to a 60% benefit with a maximum of $4,500 per month and eliminate the employee "buy-up" option.
7) Continue the other plan benefits under the program with no changes, including (a) the Administrative Services Only (ASO) Dental Administration Fee Structure with Florida

Combined Life, at a rate of $6.33 PEPM for the plan year, (b) the medical reimbursement and dependent FSA programs under a rate guarantee through December 31, 2022, (c) the EyeMed vision program under a premium guarantee through December 31, 2023, and (d) other voluntary employee benefits included in the Plan as described in the 2021 Employee Benefit Plan Overview and Recommendation document.

Mr. Tompeck said the next item is an update on COVID-19 and most of the discussion today is going to be associated with the service disconnections. Javy Cisneros will make the presentation.

Javy Cisneros, Director of Utility Support Services, said as Mr. Tompeck mentioned he is here to provide a COVID-19 update for the Board for October 20, 2020. We will mostly be talking about service disconnects for electric. He will provide an overview of the timeline so we can provide the Board a timeline of how we tried to help our customers as best we could to navigate the COVID-19 pandemic. On March 18th, FPUA suspended disconnects at the recommendation of the Board. At that time we also began to waive late and penalty fees and up until October 5, we had waived those fees and we did not disconnect any customers. The total for late and penalty fees were over $459,000. We continued April 22 where there was the power cost adjustment for COVID relief of a $2 power cost adjustment for 1000-kilowatt hours. On May 6, FPUA announced a payment plan at 0% interest for residential and commercial customers. We will talk more about that in detail as we talk about the automatic payment plan. On May 18, FPUA announced the COVID-19 sponsorship of $100,000. There was some discussion last night about the $200,000, that is true we have $200,000, but the initial allocation for financial assistance to FPUA customers for utility assistance was $100,000. That provides a customer a one-time assistance of up to $400. We do work with ALPl and Mustard Seed to issue those vouchers and that process is important because it does provide an opportunity to vet those individuals to make sure the people who need it the most are getting it first and they are going through that process. It is an important process for our customers. We originally issued $50,000 to Mustard Seed and ALPI and they each received $50,000 of the initial $100,000. We did issue an additional $100,000 and we will go into that with more detail. To date, he got these numbers that are displayed earlier today, a little bit of an increase of what Mr. Tompeck presented last night to the City Commission, we have 185 vouchers that have been paid from Mustard Seed for a total of just over $61,000. Seven pending vouchers for just over $2,500 for a total of over $63,000 for Mustard Seed. With ALPI, we have 84 vouchers that have been paid for just over $25,000 and there are 15 vouchers pending for just over $4,100 for a total of $29,401. Anyone who has a pending voucher or application with Mustard Seed, ALPI, or the Cares Act, we will work with them and make sure that if they are on the cut list that we take them off so they have enough time to get the funding from those organizations. He will mention that later, but we are working with them to take them off the list if they are on the cut list. On June 16, we allocated an additional $100,000 and we got that funding from the WEOP and put it into the COVID-19 Financial Assistance Program. On July 10, lots of activity with the Cares Act, to specifically the social services portion of the Cares Act. To date the numbers are little different, it's up to 312, but he does not have the exact dollar value. As of October 6, we have 274 applicants that have been

approved for over $604,000 of financial assistance from the Cares Act. That funding directly goes to the applicant so we will give them a little bit of time to make sure we work with them as they are waiting for the funding. He talked to the Cares Act group yesterday from the County and they will be issuing those 274 applicant's payments on Friday. We are going to give them about ten working days to make sure they go through the process of getting it to their accounts and getting the opportunity to discuss the payment with FPUA.

Mr. Cisneros said on August 4, we announced the automatic payment plan which he will get to next. He said they announced the automatic payment plan on May 6 and that does follow our resolution and gives the customer an opportunity to make payment arrangements for any past due balance once in a six-month period. On May 6, we announced that up until August 4, we had some success but it was limited. We had 746 customers that have signed up for an automatic payment plan. Obviously, we wanted the payment plan to be much more successful so on August 4 we announced the automatic payment plan and that means any customer who had a past due balance or a previous payment plan, everybody was brought up to that date and would get an automatic payment plan or a new payment plan so every customer started with a brand-new bill. The current bill would be there and that is the only bill they would have to pay. We have a total of 2,787 accounts for $1.65 million. Last night there was some discussion about disconnecting 2,700 counts, that's not the case. That is just the number of customers that are on an automatic payment plan. We are not disconnecting 2,700 customers, just for clarity that is important, it is just the number of customers that are on an automatic payment plan. We did have some discussion about what to do with documentation and we will talk about that in just a second. To continue with the automatic payment plan, we did send our first letter out on August 18 and that's where we are on October 21. What that means is the payment letters went out on August 19 and that was prior to that with the August 18 date being the due date of the payment. That gives the customer per our resolution, 30 days (September 19) and 60 days (October 19). Effectively, that would be the eligibility for disconnection per our resolution if there is no payment on their account. Mr. Cisneros said on Friday, October 16, we did start the automatic calls as we have mentioned before, the customer does get a call two days prior to a scheduled disconnect. We actually started that a little early last week just to give a little bit of extra time there to work with our customers. We anticipate we will be disconnecting anywhere from 240 to 300 customers per week because that is physically what we can do, but also we think that number will be significantly less because as of about 2:30 this afternoon we had 450 customers that were scheduled for disconnect on Friday and that number has come down to 284. We hope that number continues to come down and expect it to come down before Friday.

Mr. Cisneros said he will summarize the COVID-19 relief and thinks that is important as we have heard quite a bit about it and how do we get to it. He said on May 18, we made $100,000 available, on June 16 we made an additional $100,000 available, to date we've issued vouchers for $93,000 of the $200,000. We did not develop a process to take applications internally because it is involved, but we did dedicate an employee to work directly with Mustard Seed and ALPI so they could help expedite their process. We have used their process for many years and work well with them. That process is working well and part of the eligibility requirement is for

the applicant to verify they are an FPUA customer and they have some type of letter or justification they can give to Mustard Seed or ALPI to see if they have been financially impacted by COVID. Either a letter from their employer or a pay stub or anything. We had this discussion with Mustard Seed today and they really do call the applicant, will call the employer, and will do whatever they can to reach out to verify information with the applicant's employer. They really do follow up with the applicant. If you call to schedule an appointment, it takes about a week for them to follow up with you. Again, anyone who has scheduled for an appointment, we are going to work with them so we can give them that time. After they have met with those organizations, it takes about a day or two to issue a voucher. That voucher comes directly to FPUA and the payment is issued to the account. We did talk about working with anybody who has a pending application for the Cares Act for either social services or economic recoveries. The social services portion is for residential customers and the economic recovery is for businesses. Anybody on that list who is waiting for payment, we are going to take them off the disconnect list and work with them to give them time to get the funding from the Cares Act. To recap, this is some of the information Mr. Tompeck presented last night, we are what Mr. Cisneros believes to be one of the last utilities to issue disconnects for nonpayment in the State of Florida. Other utilities do offer payment plans, but as far as we know we are the only ones who offered an automatic payment plan which was a great opportunity for us to work with our customers to prevent disconnects. Our collections are running $3.8 million behind from the same period as last year, which is about 4% less than last year.

Mr. Cisneros said he thinks this is important to mention because we have got some feedback. There are scammers always watching everything we do. We just issued a press release, but there are scammers calling our customers to make a payment within 30 minutes or they will be disconnected. FPUA does not do that, we don't ask for a gift card, so please be careful, scans are happening because they do know our disconnect date now. If there is any doubt, please hang up on scammers and call FPUA at 466 1600 to talk to a representative to discuss your account. One thing he did not mention earlier is Mr. Tompeck, Jann, and he had a discussion with Mustard Seed and looked at using a form the applicant can attest they have been affected by COVID so the verification process can be streamlined. We hope to have the form finalized by tomorrow and will work with Mustard Seed and ALPI. It is basic information from the applicants and they have to verify they are an FPUA customer and sign the form to get some assistance from the FPUA COVID-19 assistance program.

Mr. Tompeck said apparently this is the same form the County has been using.

Mr. Cisneros said he would be happy to answer any questions you may have.

Mayor Hudson said she has questions. She said tomorrow is the first scheduled and you are going to be looking at these individuals and be able to match them up to something, right?

Mr. Cisneros said he hopes so, as of right now the individuals for tomorrow have not lined up with any assistance, they are on the list.

Mayor Hudson asked if Mr. Cisneros thinks there might be 200 people, perhaps? You don't know.

Mr. Cisneros said tomorrow he believes the list is around 41.

Mayor Hudson said the next day something else will happen. She said one things she is wondering is have we thought beyond disconnects of what this will create. This creates a new problem and the new problem is 41 people a day let's say are without power and then all of a sudden they are going to be scrambling to try to get reconnected or whatever. She knows we think we've done everything we can to make sure that people are not disconnected and we have done a lot. She is wondering if there is at least one more effort we can make because that might end up being the better use of our time trying to prevent this disconnect as opposed to disconnecting and then having to deal with the panic of what the family has to go through and what FPUA has to do to get it back on and then there is a $75 reconnect fee and all kinds of crisis that could be avoided if we could make one more effort. She thinks that effort would be some kind of actually making sure you actually talk to someone and she knows you had robo calls and left messages. She knows somehow people are not getting the message that they need to do this or contact us and that we can help them. You are just not getting contact from people, right? Because if they get contact from people then you give them the avenues they could take to be helped.

Mr. Cisneros said when we are able to talk to the customer, we were able to typically get a payment. He said we have had difficulty of a customer answering the phone or returning our call. That has been a problem and the number does come up as utility. We can certainly make calls tomorrow.

Mayor Hudson said she is wondering for instance, listen I live with someone who doesn't check their messages or doesn't even know how to access the message box. She thinks there are a lot of people who don't listen to messages on their phones for whatever reason they are not technology efficient or whatever. There is a lot of people who don't return phone calls or if they don't recognize the number there could be a lot of reasons. There is a lot of people that don't have access to computers, we just don't know what their circumstances are and we are still in COVID. Thank goodness unemployment has dropped from 14% in February to 6.7% this month. We also have had people who are far behind with their rent, their mortgage or other payments or whatever they did. If there is some other way we could prevent the disconnects, Mayor Hudson said she was listening to the commission last night and participating in that discussion and they brought up some good points. One of the good points Commissioner Perona brought up was we are not an investor owned company, we are company where the ratepayers own us and we are more of a public utility. We are almost a family even though we are corporation and providing the service and we want to treat everybody equally and there's thousands of customers out there who are paying their bills. We are not a charity because we have a service, but we are in difficult times. She thinks as a company, we have recognized we are in difficult times. She is just making a plea for one more effort because she thinks it is a lot easier for the company as well

as the customer to not have the disconnects and to prevent the disconnects. Maybe there is one more effort and she just throws that out there.

Attorney Koblegard asked Mr. Cisneros when FPUA goes out there to initiate a disconnect, is it done whether the homeowners are there or not, does that matter?

Mr. Cisneros said he is not sure.

Mr. Tompeck said the homeowner doesn't have to be home to do the disconnect.

Mayor Hudson said sometimes homeowners are not home during our working hours so there might have to be some kind of adjustment. She said the City Code Enforcement now works on the weekend because we have to monitor JC Park because of the parking and all of the activity there. She is saying that now the City, when it has to, it modifies the working hours and this is temporary, she hopes it is temporary. She does not know how long COVID is going to last, but this is not always going to be the case. This is a pandemic of proportions that we have never seen and she is asking us to make some really extraordinary efforts.

Mr. Cisneros said we can certainly look into that. He said we could start calling customers on the list tomorrow and make contact with them as early as possible. He said typically when we are able to talk to the customer, we are able to receive payment.

Mayor Hudson said you may have to do that after hours because people may not be available during working hours.

Mrs. Gibbons said at the onset of all of this she believes that you guys gained contact with every property owner to talk about the opportunity to get on the payment plan. She asked if all of these people that are potentially going to be turned off are the ones that were contacted two months ago or three months ago.

Mr. Cisneros said he does not know specifically if those customers were contacted months ago. He knows in July we made a blitz effort to contact every customer personally and that continued on through August before we did the automatic payment plan. When we did that we put our resources to developing the automatic payment plan and sending the letters out. We actually got a really good response in August about the payment plan for quite a bit of our customers. So, he does not know, but we can certainly go back and look at those customers on the list because we keep a log of every conversation we have with the customer. We can certainly look at that and see when we talked to them and how long ago it was. Again, we will make an effort to contact those customers. As the list gets bigger and bigger, we will put as many resources as we can to contact those customers one last time.

Mrs. Gibbons said she would like to have some form questions maybe while we are making these phone calls, if we can have some information about what is going on with them just in case there

is extenuating circumstances that are truly COVID that we have some idea of what is going on with them.

Mr. Cisneros said we did collect some of that information when we talked to the customers. He said when we originally didn't get into the middle of the customer's account because some of that information was personal. We did start trying to find out what was going on and part of that script we did in June and July was to give them the information of the assistance programs available. Not only did we call them, we also gave information about the COVID-19 relief program and the Cares Acts. We gave them the information through letters when we sent them the payment plan. Again, we can certainly look at that.

Mrs. Gibbons said she would just like to make sure we ask them if they took advantage of the monies that are out there, so at least we can filter them.

Mayor Hudson said you ought to be able to match it up.

Mr. Cisneros said we do have the list from Mustard Seed and ALPI that we can compare and we get the vouchers so they come of the list immediately. He said for the Cares Act, we just received the list today and as he mentioned earlier it was 312 so those folks will immediately come off the list. The list of applicants from Mustard Seed and ALPI there are still some that either were denied or not able to provide some type of information that the form required. As mentioned earlier Mr. Tompeck and he will review and finalize the form tomorrow so we can get that back out to ALPI and Mustard Seed so those applicants can sign the form and then potentially be qualified to get the assistance.

Mrs. Gibbons asked if there has been discussion also, she knows it was supposed to be a one-time $400, has there been a discussion of possibly opening that up for second time if we find out there is a need for it.

Mr. Cisneros said we have not had a discussion about it but that's something we can discuss at the pleasure of the Board we can do that. We have not had a discussion about a second assistance from the same program for those individuals.

Mr. Fee said he has a question and a suggestion. He asked if tomorrow's cutoffs are we going to have about 40 families or 40 customers.

Mr. Cisneros said 40 customers.

Mr. Fee asked how many on Thursday, how many were scheduled to be cut off on that day.

Mr. Tompeck said about 77.

Mr. Cisneros said he can give a better number here, around 69.

Mr. Fee asked how many on Friday.

Mr. Cisneros said 284. He said Friday was a big route and if you remember at the last presentation that Ms. Martin did she talked about billing routes and that was a big route on Friday.

Mr. Fee asked if that was 284 additional customers.

Mr. Cisneros said yes.

Mr. Fee asked if there is any possibility to space out the cutoffs to allow at least 24 hours for an FPUA representative to knock on the door and say, listen, come tomorrow you are going to be shut off, this is your last effort to either make a payment, get on a payment plan, or come down to the FPUA and sign the form to qualify for some money. He only mentions that because technology doesn't always reach everybody, but somebody knocking on the door around 5:00 in the afternoon or earlier may get their attention. Also, it tailors the problems that we are going to have when people rush back to get reconnected. If we can give adequate space that does allow for more notice and we are not prolonging the inevitable, the cutoffs are coming and he does not think we can wait any further on it, but we could be a little bit more strategic about how quickly we are going to do them. Hopefully the first one or two days it gets out and we actually start to see people come in and get to these programs. He does not think we should slow down by any means and prohibit the cutoffs from occurring, but he thinks if we can at least tailor how many we are going to do a week instead of coming in and hitting somewhere close to 300 customers by the end of this week.

Mr. Cisneros said we are physically going to be able to do between 240 and 320 with the staff that we have. He said even though the numbers are going to be probably more than that, some of those customers will pay and then we won't be able to physically get to a certain amount of customers anyway.

Mr. Fee said doing the cutoffs maybe every two days might be a good effort to get everybody acclimated to what's going on and give FPUA additional time to make a door-to-door visit.

Mayor Hudson said she thinks that is a good idea. She said if you can do a personal visit, because you say when you talk to them you can help, but you can't help if they are not returning the calls if you are not speaking to them. If we have somebody that could go out and cut it off, then we have somebody who is physically at their residence. So, they may not be home, but there could be some way of leaving something that gets their attention on the door, door hangers something that gives them the urgency they need to contact. Because we can help them, most everybody we can help, there is money there to help if they will just access the help. Mayor Hudson said that is the frustration the City Commission was expressing last night.

Mr. Cisneros said what he can certainly do is he and Mr. Tompeck can discuss it after the Board meeting and can come up with an action plan we could send and see what we could practically do. He said the suggestion of every other day, it may be an opportunity but he would like to make sure he can discuss it with Mr. Tompeck and provide a response to the Board.

Mr. Tompeck said we generally don't like to disconnect customers on Friday afternoons because of the weekend.

Mayor Hudson said we don't have to disconnect them at all, right?

Mr. Tompeck said at all, but specifically Friday afternoons we do not like to disconnect customers because in a lot of cases they will call us when they are ready to pay and then we will try to get out to them before the weekend is over, it's difficult. He said obviously were not going to do 280 cutoffs on a Friday, it is physically impossible for us to do that.

Mr. Cisneros said he believes on Friday we only cut off until midday because there's other paperwork that needs to be processed and prepared for the following week. He said we would not cut off 284 people anyway on a Friday.

Mayor Hudson said if you're going to be rolling cutoffs, what we are doing is creating a problem for ourselves. She said maybe to individual people, but we are also creating a problem for ourselves that's why she would like to not go down this road herself personally. She thinks that we thought we would have more cooperation by now because we have introduced a number of different ways to attack this. She knows we have tried to keep coming up with ways to attack it and thought we might be further along. She is so glad Javy corrected that number because last night everybody walked away with 2,700 people are going to lose their electricity that was a scary thought.

Mr. Matthews asked how many persons are on the delinquent list. He said you told the Attorney you have 200 here in 67 over here, how many people are actually on there.

Mr. Cisneros said it is a rolling total, we won't know until their due date has passed and the so, next week when their due date hits or when they are past the ten-days. He said if you remember at the last Board meeting, we had the 21-day day period after the due date and then the 10-day period after the 21-day for disconnects, that 31-day period would be sometime next week. Each week it would be different for each customer as they come up with their due date would be different. Theoretically this payment arrangement customer, we already know we are below that because we see people are paying their past due accounts. We do know that it is less than that.

Mr. Fee said out of curiosity, how well is the payment plan performing thus far. He knows we are very early now getting to one end of the billing cycle, we won't know until perhaps next week or November. Thus far, what does the trend look like.

Mr. Cisneros said he does not have a good number for that today, he hopes to have a better number for that in the coming weeks as we approach those 60-day marks. He does know the 30-day mark we are in the 50% arena, it is a rolling total and once we start disconnects, he can give you a number. As of right now he does not know what that looks like.

Mr. Matthews said one thing he is concerned about is he does not want the general public to think we are throwing these customers under the bus. He said he has a 5-point plan that he is going to read slowly to you and hope some of that will be able to help them out. He wants to take out the politics and deal with the common sense. You have one item that he did not even put on here. Literally we have the ability to go into everybody's accounts and add $100 or $200 and then send that customer a note to say we credited your account for whatever the amount can be reasonable. He wants to read for the common sense purposes of the five-point plan, the first one is to rearrange the staff and schedules to concentrate on those delinquent customers, that is the first thing we have to do. You have to rearrange the staff, some could be coming to work at 8:00 and they might say to Mary and Susie for two weeks we need you to come to work at 10:00 and work until 7:00, you see what he is saying some innovative things to do. The second part of the plan is to separate the accounts in groups of 50 to handle the accounts by area. Here's what we are doing, we are taking those accounts and separating to 50 and that's area one, that's all we are doing is concentrating on house number one to house number 99. The third one is the hardship customers need to have a staff assignment knocking on their door. You already have a person in place, number one you have the meter reader, they are already going into the community. Mr. Matthews said he is certain they will knock on the door, they don't have to go in the house to look to see how the TV and furniture is arranged. They knock on the door and say I am from the Utility Authority and you need to get down there before we have to come and cut lights. The next one is the set up, you had a speaker to talk about this, to set up the volunteer calling program. We just call the customer and he knows you're calling back and trying to get them on the payment plan. So for two reasons you cannot maybe call somebody at 11:00 in the morning, but you could certainly call someone at 6:00 or 7:00. The collection laws stop you around 9:00 at night. We as an agency have to do some things to be innovative, but the one thing is the meter readers can play an important role because not only are they reading, they can knock on the door. Then we should be concentrating in the period of two or three weeks to see if we can clean that list up. Once we clean up the list we have monies available and the common sense he was saying it looks kind of odd to have money set aside somewhere and we are going out there to disconnect. In that disconnect, you have people that have to have oxygen, have breathing machines, some of these people are very old and cannot get to the door, they may have a way to help them out. We have unemployment high in the area, we have kids who are trying to study, they can't study in the dark, there's a lot of common things that are being discussed, and he does not care how this Board dances around, we have to make an effort because he has always heard is the customer/ratepayer is our boss. The last time we came and made a report he wondered sometime if we have done good, but there are some other things that need to be done to make certain that we have not only put a bandage, but that we have actually completed the task.

Mr. Cisneros said three of the five things you mentioned, we actually are doing and will continue to do to work with those customers.

Mr. Matthews said when he goes home tonight and does not have nobody call him to tell him their lights are going to be caught off, so you're going to work on that, too? He said we do not need the disconnect program, we need to have it set in place, but not now.

Mrs. Gibbons said she would like to ask a question and it may be one she already asked, but wants to make sure. She said last year at this time, what is our average cut offs traditionally not in COVID.

Mr. Cisneros said not in COVID he wants to say it's in the 30 to 50, but Mr. Crawford or Mr. Jakubczak might be able to help with that to get the exact number.

Mayor Hudson asked 30 to make 50, what, a day?

Mr. Cisneros said he believes it is a day.

Mr. Tompeck said they roll over very quickly. He said it is not like at the end of the week it's 210 or 250, that number changes on a daily basis. It's usually less, he would think over the course of a week, it is probably less than 100 average.

Mayor Hudson said what happens, do they have to scramble and get reconnected?

Mr. Cisneros said yes, ma'am.

Mr. Tompeck said he thinks he understands what you are saying, if you give us a day or two to put together maybe a modified program to come up with a way of making a last attempt to contact the customers. He said to Javy that maybe we will take a look at only doing disconnects three days a week so we have more time to get with these customers or something like that. We need a little time to come up with a comprehensive plan that will work. It is not quite as simple as having somebody knock on the door. We have a lot of customers out there and we read their meters, but they don't knock on the doors or even get close to the meters anymore. They literally drive down the street and take meter reads so it is really not that simple.

Mayor Hudson said but we could.

Mr. Tompeck said we could, but we only have six or eight meter readers to cover 29,000 customers, that is a job.

Mayor Hudson said that is not 29,000 customers, it's a limited number. She said she just feels like we need to recognize what we're doing to the customer and also what we are doing to

ourselves if we just go into this plan as a numbers game instead of thinking about the people that we serve.

Mr. Tompeck said the next item is to approve natural gas purchases for resale for Florida Gas Utility and Barbara Mika will make the presentation. He said this is an annual approval as the next one will also be for the FMPA resale of the electric.

Barbara Mika, Director of Financial Services, said this item being brought to the Board for approval is for natural gas purchases for resale from Florida Gas Utility of Gainesville, Florida, in an amount not to exceed $1,725,000 for FY 2021. She said the table included in the agenda packet shows the historical and actual projected natural gas costs. The projections for FY 2020 and 2021 were prepared by staff. This request is for the approved budget and will be spent for natural gas purchases only as billed. Staff is asking for approval from the Board for the FY 2021 natural gas purchases for resale from the Florida Gas Utility of Gainesville, Florida in an amount not to exceed $1,725,000.

Mayor Hudson asked if this is what we budgeted.

Mrs. Mika said it is exactly what we budgeted.

Mayor Hudson said so this is something that is already in the budget, we are not changing anything, we just have to approve this resolution.

Mrs. Mika said yes and we will only pay what we are billed, this is in the budget but we only pay the actual cost.

Mr. Tompeck said we actually issue a purchase order so they can bill against a purchase order.

A motion was made by Mr. Fee, seconded by Mayor Hudson, and unanimously carried to approve Natural Gas Purchases for Resale from Florida Gas Utility, of Gainesville, Florida, in an amount not to exceed $1,725,000 for FY 2021.

Mr. Tompeck said the next item is essentially the same thing except for the resale of electric from FMPA and Barbara will also make the presentation.

Mrs. Mika said in this next item being presented, we are requesting approval for the electric purchase for resale from the Florida Municipal Power Agency of Orlando, Florida in an amount not to exceed $45,000,000 for FY 2021. The table included in the agenda packet shows the actual and projected costs for electric purchases for resale for the past five years. The projection for FY 2021 is based upon projections from Raftelis Financial Consultants with the information available at that time. The projected rate per megawatt hour is $77.59. Keep in mind this request is based

upon the approved budget and will only be spent for the electric purchases as billed. We are asking for approval from the Board for electric purchases for resale from the Florida Municipal Power Agency of Orlando, Florida in an amount not to exceed $45,000,000 for FY 2021.

A motion was made by Mayor Hudson, seconded by Mr. Fee, and unanimously carried to approve Electric Purchases for Resale from Florida Municipal Power Agency (FMPA), of Orlando, Florida, in an amount not to exceed $45,000,000 for FY 2021.

Mr. Tompeck said the next item is the Electric Reliability Update through August 2020 and Paul Jakubczak will make the presentation.

Paul Jakubczak, Director of Electric & Gas Systems, said he is happy to present the third quarter reliability update for the 12-month rolling average through August 2020. He said the first measure we always look at is the average number of outages that a customer can experience on FPUA's line. We are sitting on about 1.47 outages per customer and that is higher than what we would like to do and will look at the numbers at the end of the presentation here. As you can see, we are about in the middle of the pack with the rest of the agency municipal utilities throughout the state that are reporting. We are slightly lower than the large utility average, but we want to be as best as we can so we will continue to work on improvements to get all of these numbers down to a more manageable number. The second one we look at is the average amount of time a customer can experience when they do have an outage and how quickly we can get these restored. Right now we are at 52.7 minutes which is under our 60-minute goal we have for the year. This is a good thing and we will continue to try to move this down. Mr. Jakubczak said in the next chart, you will see we are in the upper quadrant, but we would like to be near the top of it. Some of the ones up near the top are ones that have the utilities completely underground. So take that as we look at budgeting and what we can do to improve our reliability. The last number we look at is the total overall SAIDI number, which is the average duration all the customers can look at. We are looking at 77.84 minutes, basically it is a different denominator that we are dividing the total outage minutes by. As you can see here we are in the middle of the pack again which to us we want to be near the top. We are slightly above the large municipal average which we want to continue to improve to get better. We saw this last time in the 2019 comparison to FPUA the municipal average, FPL, Duke, TECO, and all of those together and we will see this again come April next year when all of the reliability statistics are due to the PSC.

Mr. Jakubczak said the next chart is a look at the strategic goals, these are the goals we set for ourselves to make sure we are providing the best service we can to our customers. He said if you remember, we talked in the previous presentation three or four months ago about how these are the reasons why some of them are higher than what they need to be. If we remember right, in the May, June, and July timeframe we had a lot of storms roll through which had quite a few outages. Because it is a 12-month rolling average, these will roll off eventually and if you start looking at some of the other charts that we get on a monthly basis from FMPA, you will see our numbers are quite considerably lower than what they were in May, June, and July. We know

these numbers will roll off, which means our numbers will come down based on our restoration times. With that, he would be happy to answer any questions you may have regarding this.

Mr. Matthews said he notices one of the communities he used to live next to Bushnell, they are always a little ahead of us. He asked what utilities they have. He said we have water and gas and asked what Bushnell has.

Mr. Jakubczak said Bushnell has all three as well. He said this is all based on electric and their total load right now is 2,500 customers. Bushnell has just gone through a process where they bought 2,000 customers from a neighboring co-op because their franchise agreement with the co-op ended. So now they pretty much doubled their load and he is not sure how the numbers are, but when you have a small number of outages with a large number of customers, your numbers are going to be smaller. He is not sure if that is what is going on but they recently had to rebuild and invest in quite a bit of money which they had to borrow in order to get these additional customers as well. One of the utilities we look at is Winter Park and what they have gone through and put a lot of their stuff underground so that is why some of their outages and outage times are a lot less than a lot of people. The only concern you have there is if you have one outage for an underground system it normally doubles the amount of time it takes for restoration. You have to find out where the outage is, dig it up, splice it back together if you don't have the ability to switch that.

Mayor Hudson asked if SAIFI is the one above what we shoot for.

Mr. Jakubczak said we are shooting between .5 on an outage and we are at 1.47. He said if you look at some of the numbers between the May, June, and July timeframe, we are looking at almost half an outage, .3 to .4 outages per customer just for that one month period. When you add that up going across the 12 months, it really affects the 12-month rolling average. This past August for this statistic FPUA is at .03 or .04. So you take that point .4 to .04 and you have a factor of 10 there that we have improved on. One because there have not been as many storms, but because of the investment we made into the system.

Mr. Matthews asked if we had a storm or hurricane would we be a different figure.

Mr. Jakubczak said the way that they work this which is a good thing, when they have named storms, hurricanes, or large events, they take those out of the numbers so we don't have to report those. He said these numbers we will normally report them to give you a comparison to show you how high the numbers were compared to what they normally are when you eliminate that weather event.

Mayor Hudson asked if there is a time of the year that safety is worse than others.

Mr. Jakubczak said it all depends on the weather. He said it is all weather driven, spring/summer storms are normally the worst especially when you get to the lightning storms which we had a lot of lightning this summer.

Mr. Tompeck said the next item is requesting approval of an Amendment to the Electric Distribution pole replacement contract with SPE Utility Contractors and Bill Crawford will make the presentation.

Bill Crawford, Superintendent of Electric T&D, said he is asking to have approval of Amendment No. 1 to the Electric Distribution pole replacement contract with SPE Contractors of Port Huron, Michigan in an amount not to exceed $28,722.75. He said this will increase the contact total to $516,456.75. This covers additional work performed by SPE while they were changing out 222 distribution poles that had been damaged over the years due to weather and stuff like that. Most of the additional poles involves around storm hardening and consisted of secondary change out to shielded track lights and reinstallation of additional underground risers. The work will provide better reliability to the system and Mr. Crawford said he would be happy to answer any questions.

Mayor Hudson asked if this is the average pole replacements every year.

Mr. Crawford said no it is not the average one, we change out more poles. He said it depends on Osmosis testing to how many we change out every year. We had been behind a little bit over the years, but we have a contractor and change out more than what FPUA usually does.

Mayor Hudson asked if this is a larger number than usual.

Mr. Crawford said yes, ma'am.

Mayor Hudson asked if they are all throughout the city.

Mr. Crawford said yes, ma'am.

Mayor Hudson said what you do is examine the poles and if the poles are compromised in some ways, they get on a list to be replaced, have I got that right.

Mr. Crawford said yes, ma’am.

Mayor Hudson asked how many poles are there throughout the City about, this is not a test.

Mr. Crawford said he does not have that number right off, we have over 30,000 at a minimum.

Mayor Hudson asked if it is the same as customers.

Mr. Crawford said more than that.

Mr. Matthews asked what the life expectancy in case we got around 30,000 poles.

Mr. Crawford said older poles we've gotten 60 years out of, newer poles because of treatments we get 30-40 years out of.

Attorney Koblegard said if Comcast or AT&T are still on any of those poles do we give them a notice?

Mr. Crawford said yes, we do have somebody with Electric Engineering that is giving notice to Comcast and AT&T.

Mr. Matthews asked how many Comcast has.

Mr. Crawford said just about as many.

A motion was made by Mayor Hudson, seconded by Mr. Fee, and unanimously carried to approve ITB 18-36B: Amendment No. 1 to the Electric Distribution Pole Replacements-Phase 3 contract with SPE Utility Contractors FD, L.L.C., of Port Huron, Michigan, to increase the not-to-exceed contract amount by $28,722.75, from $487,734.00 to $516,456.75.

Mr. Tompeck said the next item is the Bill Comparison for the month of August and Michele Harris will make the presentation.

Michele Harris, Finance Assistant Controller, presented the bill comparison for the month of August 2020. She said she will be presenting the monthly update on the comparisons of the municipal electric rates in the State of Florida, and of the local Treasure Coast utility bills for August. The first graph shows the comparison of residential electric rates for 1,000 kWh of consumption for the month of August for the 13 municipal utilities, which are all members of the "All-Requirements Project" (ARP). They are displayed and ranked based upon their base bill amount. In this next graph we can see where FPUA ranks among the 13 participants. Our August rate at $103.84, is shown with the yellow bar, ranks FPUA with the 2nd lowest in this group. The data for all of the graphs presented are compiled and published monthly by Florida Municipal Electric Association (FMEA). This graph displays the August comparison of Florida residential electric rates for that same level of consumption which is 1,000 kWh, but includes all of the municipal utilities in the state. FPUA's bill at $103.84 ranks FPUA with the 8th lowest rate in comparison to the other 31 municipal utilities. This is exactly where FPUA was last month. The blue bar represents where FPUA will be in November after the approved PCA adjustments. This is also bearing that there are no other changes with any other municipal rates. In August, while FPUA maintained our rates for another month, 11 of the other 31 municipal utilities implemented

rate changes. The overall impact of these rate adjustments resulted in an increase of $0.93 for the ARP average and a minimal decrease of $0.12 for the municipal average. Eight of the municipalities experienced increases ranging from $0.22 to $4.29. This graph presents a similar comparison of municipal utility bills within the State of Florida for the consumption of 2,500 kWh. FPUA's August bill at $262.30, remains the 10th lowest rate among this group. FPUA's rate for 2,500 kWh for the month of August falls below all three averages, which is the ARP, Municipal, and the IOU averages.

Mrs. Harris said the table displayed is the August comparison of the average residential utility bills on the Treasure Coast. She said FPUA's utility bill for all three services provided inside city limits is shown in the first column in blue. All other bills in this table have electric services provided by FP&L and water and wastewater services by the locality's provider. The comparison includes the bills for the average consumption of electric, water, and wastewater services for residential customers residing in these service territories. These totals include all taxes and fees and have been verified by staff to actual or historical bills. There have been no changes to any bills since the July comparison. This item has been presented for your information and requires no action. However, if you have any questions Mrs. Harris would be happy to address them.

Mrs. Gibbons asked why Vero Beach is so much lower in their water.

Mrs. Harris said she can double check the bills, but that is just what their rates are and said she does not know why they are lower.

Mrs. Gibbons said it is crazy the wastewater is what seems to proportionate with the water, like a variable is wrong or something.

Mrs. Harris said she will take a look at that because we do verify with employees that live in Vero. She said we get their bill and we confirm everything, but it is a good question, she will follow up on it.

Mr. Tompeck said the next item is the Financial Operating Results for August 2020 and Barbara Mika will make the presentation.

Mrs. Mika presented the Financial Operating Results for August 2020. She said she is presenting today the financial operating results for August FY 2020. After the adjustment for the distribution to the City, our August YTD increase in net position is just over $4 million. Operating revenues are lower than the previous year to date figures by $2.3 million. This is an improvement from the July YTD that was for the month of August which showed an increase in operating revenues of $917,000, so that impacted the YTD in a positive way The reason for this year over year decrease was in electric general service sales of $746,000 and the PCA billed was just over $1.6 million. The August YTD operating expenses were down $658,000 from the prior year, mainly due to the lower cost of our purchased power in FY 2020. There were offsetting expenses in

personnel services, maintenance contracts, and depreciation expense. Electric operating revenues, less power cost and consumption electric operating revenue less power cost has been fairly consistent in the 3-year comparison. FY 2019 brought a 3% increase in the adjusted operating revenue consistent with a 4% increase in consumption over FY 2018. In the current year to date, consumption remains flat, off slightly when compared to the same period in FY 2019 with revenues down by 2%. Water operating revenues in comparison to consumption, water operating revenues continue to show a consistent upward trend. FY 2019 revenues increased over the same period in FY 2018 as a result of increased residential and general consumption of 5%. FY 2020 increases in operating revenue of 7% was accompanied by an increase in consumption of 5% for the second year in a row. FY 2020 continues to show year over year increases in bulk water sales. Wastewater operating revenues in comparison to gallons billed, in fiscal years 2018 and 2019 increased levels of other operating revenue were due to the capacity reductions that we did not experience in FY 2020. In FY 2019 and 2020 consumption consistently increased by 3% each year despite the decline in operating revenues. Residential and general services sales remained flat bringing wastewater revenues back to a more expected level.

Mrs. Mika said natural gas operating revenues less the cost of gas purchased along with consumption showed an overall increase in revenues of 6% and consumption 8% from the prior year mostly in general service sales. While changes in the adjusted revenue and consumption are moving together, FY 2020 revenues and consumption were flat as a result of levelling off of residential and general services sales including contract sales in comparison to 2019. We experienced a 9% savings in the cost of purchased gas this year compared to FY 2019 with a savings of $372. Operating income and debt service, our debt service coverage ratio is the ratio of the twelve-month average of net available income to our current debt service, principal and interest combined. For the twelve months ending August 2020, our debt service ratio is 2.68 x , which means for every dollar of debt we have $2.68 is available to pay that debt. Our bond covenants require that we have a ratio of 1.25 x so we are well within a comfort zone for our debt service.

Mrs. Mika said she has one other item she would like to mention. We are preparing a proposal for changes to rates for water, wastewater, and gas that is based upon the Public Service Commission Index published in March 2020, which is 1.79%. The changes do not affect electric, just water, wastewater, and gas. The notifications of the hearing will be out before November 1st online and it will be in the November customer bills as a bill insert. The public hearing is scheduled for December 15th with the proposed change date of January 1, 2021. This item is all for information and if you have any questions she would be happy to address them.

Mr. Tompeck said at our last Board meeting, the PCA was increased $3, from -$11 to -$8, effective November 1st. He said as mentioned during the last meeting, FMPA has slightly modified their demand rate and billing method. When we looked at the FMPA forecast, we noted it was higher than we expected, which resulted in the Raftelis evaluation and recommendation to raise the

PCA. We have been advised FMPA's forecast had an error in it, a good error; revenues which would be used to lower expenses were added to expense by error. FMPA is working on a revised projection which we will discuss at the next Board meeting. Based on the revised forecast, we may be able to re-adjust the PCA or leave it where it is, which will give us more flexibility to make a change just before the summer. It is going to be a positive change and we will have more information on that at the next meeting.

Mr. Tompeck said we have been notified, FPUA has again been selected as one of the "Best Places to Work" in St Lucie County, which we are very proud. The awards ceremony is scheduled for next week and this is the 3rd year in a row FPUA has received this award from the St. Lucie County Chapter of Society of Human Resource Management. We have a lot to be thankful for as an organization this year in terms of the way we were able to handle the COVID-19 pandemic so far. We are really proud of our people and organization.

Mr. Tompeck said last but not least, FPUA staff would like to welcome our newest Board Member, Kristina Gibbons. He said Kristina had the chance to spend all day Friday touring FPUA and still came to the meeting today so we are really impressed by that. There is some additional indoctrination scheduled, she did not have a chance to get with Bo Hutchinson on the water and wastewater and she also wants to see some more of the electric including the Treasure Coast Energy Center.

Mr. Matthews said he does want to really emphasize that Mrs. Gibbons has loaned her professional time with other boards and she served on another board and her attention is good and brain is good so we welcome her on the FPUA Board.

Mr. Matthews said maybe the time is not right for this one, but he is going to make it right. He said he did a little research on the way the Board exits from here after their long term services. In all of his research he found out that a couple of Board Members that did stay their time early in life, there was a six-year, three-year term. Many of them stayed six years, three-year terms and many of them stay six years and now each one gets appointed by the City Commission, and the Mayor a four-year term. One Board Member that left last year did not get any kind of recognition and that person did stay nine years. He has been looking at the Board as we are now and there are three of us that were not here and had nothing to do with the reasons. He hopes we would be able to thank and bring that back in to reality and give that Board Member at least a plaque for nine years of services, it is Mike Perri that he is talking about. He did the research on all the Board Members that left and he has one that did not get anything. He does not know what the basic reasons are but it is not, doesn't look good when we say you serve your time, but you leave and do not get a good thanks. If nothing else, he hopes that would be an item to vote yes or no or do we want to do it or not. Mr. Matthews said he thinks we need to revisit that, not in this meeting but one in of the other meetings.

There being no further business, the meeting was adjourned.

ATTEST:

Deputy SECRETARY

CHAIRMAN